



## The New Costa Rica

**In the country that more or less invented eco-travel, you'll find lush jungles, enormous turtles, untouched beaches—and rapidly expanding luxury-resort developments.**

From [November 2007](#) Julian Rubinstein

Exhaust fumes belched from cars around me as I careened through the traffic-choked streets of Costa Rica's capital, San José. I was on my way to Costa Rica's version of the White House: a nondescript office building. "*Rápido, por favor,*" I said to my cabbie, even though I was not late nor am I anyone important.

I had spent the last two weeks tumbling through this lush country as a so-called ecotourist. I had hiked through misty cloud forests, hovered over a VW-sized green sea turtle as it laid eggs on a Caribbean beach, and shot through the rain-forest canopy on a zipline that crossed gorges 1,000 feet deep. I had also been peed on by a howler monkey and, finally, spoiled so rotten at a seaside resort that I was irritated at how long it had been since anyone had taken my drink order.

Forgive me for becoming unhinged. It was my last day in a country virtually synonymous with "ecotourism," and yet I was less sure than when I'd arrived what exactly that term meant. Surely the president, I reasoned, could set me straight.

Bound to the north by Nicaragua and to the south by Panama, Costa Rica is the science geek of Central America. It has the highest literacy rate and standard of living in the region. While its neighbors were fighting civil wars, Costa Rica—the first country ever to constitutionally abolish its army, in 1949—was studying moss and saving sea turtles. It could be Al Gore's poster child.

Costa Rica's green era began in 1970, when, following nearly 50 years of unrestricted logging, lawmakers founded what would become a heralded national park system. The country's political serenity attracted a group of mostly American entrepreneurs, who by the end

of the decade had set up the first lodges and adventure outfitters. It was small business. There were few direct flights into the country and little available money to promote Costa Rica as a destination. The few thousand people per year who came were mostly backpackers and hard-core birders who didn't mind sleeping in simple spaces in order to enjoy the biodiverse rain forests, raftable rapids, and pristine beaches.



Jungle and ocean, as seen from the Harmony Hotel.

Then, in 1987, President Óscar Arias Sánchez, who began serving another (nonconsecutive) term last year, was awarded the Nobel Peace Prize for brokering an agreement among troubled Central American countries to promote democracy and end civil strife. Tiny Costa Rica—smaller than West Virginia and with a population of about four million—was thrust onto the world stage for the first time. "When Óscar won the Peace Prize, we knew everything was going to change," - Alvaro Ugalde, cofounder of the national park system, told me. Costa Rica's tranquillity, natural beauty, and proximity to North America made it stand out like Scarlett Johansson in a bus station.

An ecotourism star was born.

Visitors began pouring into the country, and soon, tourism leapfrogged bananas and coffee to become the country's top revenue-producing industry—it now brings in nearly \$1.6 billion a year. But the boom also created a classic tug-of-war between developers and environmentalists. In 1993, while Costa Rica was promoting itself as an eco-friendly destination, a well-regarded German environmental organization awarded the country's tourism minister its infamous Green Devil for gross mistreatment of the environment related to the construction of a multimillion-dollar seaside resort called Playa Tambor. And although an impressive 25 percent of the country's land was protected, ineffective waste management left the rivers so polluted that some raft guides now warn clients not to swallow the water. "People think Costa Rica is some paradise—they think we're angels," said Ugalde, who today spends his time lobbying the government to make the environment a priority. "But no, we're a devil like everyone else."

Over the past two years, Costa Rica's biggest industry has entered yet another phase: luxury development. Spearheaded by the commercial opening of the controversial Peninsula Papagayo—a sloping seven-mile finger of land that droops into the Pacific Ocean from Guanacaste, the country's northwesternmost province—billions of investment dollars have flooded in from hotel companies, including Four Seasons, as well as the likes of Steve Case and Ross Perot Jr. The airline industry is also betting big on the country's northern Pacific Coast: already 45 nonstop flights from North America per week land at the one-strip Liberia international airport in high season, and more are scheduled for 2008. As one might imagine, not everyone is in agreement about what this means for the future of the nation's ecotourism.

"We are facing the impact of having attracted so many people and investors to develop their ideas in a safe, quiet, beautiful country, but are they respecting the way we decided to develop?" asks Ana Báez, president of Tourism & Conservation Consultants. "It's hard to tell where it's going."

The day that I was peed on by a howler monkey was my first as an ecotourist and, though I'll never know the primate's true disposition toward me, the incident prepared me for something I'd have to reckon with for the rest of my trip. That morning I had taken a 30-minute flight from San José to Tortuguero, an old fishing village pressed between the Caribbean Sea and the Tortuguero River. We landed in a downpour so heavy my clothes were soaked through in the 10-second dash from the tarmac to the one-room air terminal and baggage claim. Within an hour, however, the clouds had cleared and the sun was gorging itself on a clear blue sky. Cheerfully, I boarded a motorboat with a small group of tourists, a scientist, and a local driver called Cola. We set off down the river; gazing at its lush overgrown banks, I saw why Costa Rica is reputed to have the highest density of species in the world. There were crocs sunning themselves, iguanas clinging to hibiscus bushes, and so many kinds



A giant sea turtle on the beach.

of birds (toucans, pelicans, herons, etc.) that I and the other non-birders on board took solemn stock of our plight.

We continued, against the tide, into a smaller canal where the forest overgrowth blocked the sky, turning the river passage into a watery tunnel. It was pleasant there in the shade and from somewhere in the almond and strangler fig trees came the guttural cry of the howler monkey, a noise that may as well be Costa Rica's national anthem, so ubiquitous are these creatures. We craned our necks toward the shaking branches and soon spotted them just overhead—an entire troop, some hauling babies on their backs, crossing the river. My boatmates began ooh-ing and zooming the lenses of their digital cameras. I, at that very moment, had gone with an ahh.

There are times in one's life when something happens for a reason, and as I swallowed that howler monkey's pee, I could only hope this wasn't one of them. I said nothing, but as I sat there I sank into existential despair about my journey. How was I supposed to enjoy myself when I was both hyperconscious of trying to protect the environment and at every turn reminded that my very existence was disrupting it? I hadn't even hit the luxury sites yet, and already, for me, being an ecotourist was like living out an oxymoron.

About an hour later, we returned to the dock at our hotel, as if everything were just super. I was billeted at Tortuga Lodge, the first eco-lodge in Tortuguero, opened in 1986. In need of a spritzer, I went straight to the open-air bar, where I found the owner, Michael Kaye, seated with a Save-the-Turtles crowd. "Enjoy the boat ride?" he asked, peering down at me through his inch-thick glasses. Kaye is one of Costa Rica's ecotourism pioneers, and somehow the fact that he'd once lived on a commune outside San Francisco with Wavy Gravy made his presence reassuring. I took a seat next to him.

After surviving an earthquake in Guatemala, in 1977, Kaye, now 65, had drifted down to El Salvador, where he met his future wife on a beach. Fleeing political instability, they headed south to Costa Rica and never left. Kaye opened the country's first rafting outfitter, Costa Rica Expeditions, in 1978. Now the company is the largest tour operator here, a multimillion-dollar concern offering all manner of excursions.

Kaye had just flown in to Tortuguero from his base in San José in order to help launch a program to protect the local beach, which is the most important nesting ground in the Western Hemisphere for the endangered Atlantic green sea turtle. He was also here to meet

an expert about new ideas for minimizing the environmental impact of the lodge's waste-management system. I was even more impressed by this when Kaye admitted to me, as the night wore on, "Most of my clients don't really care about environmentalism." To please them, he had added a beautiful swimming pool to the lodge. But he had also opposed a recent proposal to build a road connecting Tortuguero to the rest of the country, despite the fact that such access would have drawn more visitors.

The following night I had a chance to further ponder this delicate balance as I marched under the moonlight in a line more than 100 people long, each of us desperate to see a sea turtle. As trained spotters radioed in to the lodge guides, we moved single-file along a forested path next to the beach. At last we were ordered into position, where we took turns standing, in monitored 10-second intervals, over a gigantic turtle as, trancelike, it laid about a hundred large white eggs in a hole in the sand. It was an unforgettable sight, but equally impressive was the military-style effort that made seeing it possible. Over a two-hour period I was cited, and nearly expelled from the group, for breaking every rule at least once. (No talking, no shining a light, no walking ahead, no going off the path, no wading in the ocean.)

It was almost midnight when we returned to town, and I promptly ditched my compliance officer and sneaked off to the local bar, La Culebra (The Snake), basically a large shack teetering on the riverbank. I'd only been in town two days, but more than half of La Culebra's patrons and I recognized each other, which wasn't surprising, given the town has 1,200 inhabitants and 80 percent of them work in the travel industry.

Ticos—as Costa Ricans call themselves—have the easygoing disposition of Caribbean islanders, and although I had entered the pub hoping for a barfight or at least some kind of trouble, I found myself toasting the night away with bottles of Costa Rica's popular pilsner, Imperial. "Thank you for visiting us," one young Tico told me in perfect English. "Fifteen years ago we were fishing and hunting for our food. Now we have our own high school." Later, my new friends made sure I found a water taxi to take me home—an easy task, since the owner of one was sitting next to me at the bar.

The following day, I left by boat for a port near Limon, where I transferred to a van that would carry my group to Arenal, the site of an active volcano and surrounding cloud forest. As we got closer, we saw signs along the lush roadside advertising lots and houses for sale

—mostly in English: lake view, virgin forest. New hotels and spas were under construction. "All of this used to be watermelon farms and things like that," our driver said, somewhat wistfully.

We spent the next day hiking through the mountains, crossing hanging bridges as high as 500 feet in the air. Later, I soaked in a series of hot springs. The lava from Arenal's crater is usually visible at night, but that evening the clouds were too low; we ended up taking shelter from another downpour. I did get some good news, however: a fax arrived confirming my interview with Alan Kelso, Peninsula Papagayo CEO and developer extraordinaire.

Arguably one of the best-connected men in North and Central America, Alan Kelso has networked his way into meetings with CEO's and money men around the world; his brainchild, Peninsula Papagayo, is a multibillion-dollar work-in-progress worthy of an anthropological dissertation: a planned community for the international eco-jet set. I met Kelso in his ground-floor office, which abuts the octagonal stone-and-glass clubhouse of the development's Arnold Palmer-designed golf course (the next course is being designed by Jack Nicklaus). Fearing he might recognize our several-hundred-million-dollar-a-year income gap, I gazed at him with an air I hoped suggested I owned a continent. But Kelso, the nerdy child of a middle-class San José family, turned out to be completely unpretentious. Unlike most developers in Costa Rica, he is a native, one reason public criticism of the project died down. Kelso's enthusiasm was infectious. Soon, he was driving me in his SUV to one of the 17 beaches on the peninsula's 15 miles of coastline. "I used to come here as a kid to water-ski," he said, pointing to the waveless blue sea. "The fun we used to have here—it's the most beautiful piece of land I've ever seen in my life."

Thanks to its physical splendor, Peninsula Papagayo has for years been at the heart of the struggle between Costa Rica's environmentalists and entrepreneurs. Finally, in 1993, the government made a controversial decision to lease the property to a Mexican company with ties to Mexico's disgraced former president Carlos Salinas. Before the Mexicans could get anywhere, they were sued for multiple environmental violations. In 1997, the project's minority partner, Costa Rica's national beer company, privately met with Kelso to ask if he would consider buying the Mexicans out. Kelso had made his name putting together the Los Sueños Marriott, a highly successful property 140 miles south. In the past years, he'd turned down all such offers, but this time, "I didn't even have to think about it," he says.

For a sum he would describe only as the value of "maybe one or two villas today," Kelso bought out the Mexicans and went to work developing a master plan for the peninsula. He envisioned an exclusive, independent city. There was literally nothing on the land, so Kelso began planning and building roads and creating and hiring his own fire department, security, and emergency response network. He established a NASA-like telecom center that digitally controls everything from the water supply to electricity. "We have traffic mapped out for the next fifteen years," he says. Then he set about selling off pieces of the property to carefully selected "bell cow" investors such as Steve Case and Ross Perot Jr.—both of whom are building exclusive time-share villas—and bringing in a Four Seasons Hotel, which he knew "had a following of its own."

By the end of next year, Kelso will open a 382-slip marina, more than twice the size of any other in Central America. And he has hired the architect of Beaver Creek, Colorado, to help design a surrounding village, set to open in 2009. There are also independent homes for sale, some of which come with the option of service from the staff and restaurants of the Four Seasons. People like Madonna are rumored to have bought in. "I don't know if we're an ecotourism destination, but we are environmentally responsible," Kelso says. He keeps his golf courses green in part using desalinated seawater, and rather than trying to skirt Costa Rica's law that all beaches remain public property, he runs a bus service carrying locals to the peninsula's shores. "We had 75,000 visitors last year," he says, proudly. And whereas the Mexican group had planned to build 16,000 residential units on the peninsula, Kelso's plan is capped at 2,500. "That's what I wanted," he says. "I actually negotiated for less."

My three days at the Four Seasons were so idyllic, I could have been convinced Dick Cheney had brokered a world peace accord. I slept on the beach and kayaked in the ocean. One day, I hired a local boat captain to take me to some nearby islands for snorkeling; he dived in with me and placed a live spiderfish in my hand. At night, I had my choice of dining at any of the site's five restaurants. The entire experience was almost dreamlike—I actually became suspicious that the monkeys singing outside my villa's windows were on the payroll.

I left this paradise in a Hola! Rent-a-Car with a trunk that didn't open, setting off south for the beach town of Nosara. (For the record, Kelso departed in a striped black helicopter.) When I arrived in front of my new hotel that night, I was greeted by Luis, the same man who had set me up with the one-way rental in the morning; he was there to retrieve it. This was indeed convenient, but having torn myself

from the lap of luxury, I couldn't imagine anything could console me. I was pleasantly surprised, however, as soon as I was ushered into the aptly named Harmony Hotel.

Three years ago, the land on which the Harmony sits was about to be turned into a condominium complex when American entrepreneur and environmentalist John Johnson bought it in order to save it. Having never been involved in the hotel business before, he hired a team of eco-consultants who designed a 24-room beachside property—including a yoga studio, a juice bar, and a pool—that not only aspires to be environmentally sound but



Along the path to the beach at Harmony Hotel, Nosara, on the country's west coast.

also employs an on-site sustainability coordinator to make sure that it is.

Harmony provided an alternative to traditional bare-bones ecotourism, one that took into account the growing market for upscale travel to Costa Rica: it was a vision of what might please both environmentalists and developers. I spent a blissful day exploring the sandy beach and walking the forested dirt roads that pass through two-shack roadside towns where locals gather for barbecues. At night, I ate locally caught red snapper in Harmony's restaurant. (Here, aside from the banana and coffee paper on which the menus were printed, there were no obvious signs of environmental sacrifice.) I could have lingered much longer but one last appointment remained in San José: my meeting with the president.

Costa Rica's tourism industry today attracts 1.7 million visitors to the country every year. As my cab approached the presidential office building, I had narrowed it down to this or unendurable boredom as the only possible explanations why President Arias had agreed to meet with me. I was ushered inside and after I'd waited a short while on a yellow leather couch, Arias appeared, wearing a gray suit and sporting a silver mane. His diminutive stature and drooping eyes

gave him the appearance of a man ready for a nap. He led me into a wood-paneled chamber, where we sat down. Soon we were engaged in a discussion about his plans for Costa Rica, which include attempting to make it the world's first carbon-neutral nation by 2021. That ambitious goal will be part of his Peace with Nature initiative, a regulatory conservation agreement like the Kyoto treaty for which he plans to seek international standards and signatories. "In a year or two, I want to launch it in New York, at the UN," he said.



A pool at the Harmony Hotel.

Arias is also unapologetically pro-big business. He has staked his legacy on his controversial support of cafta, the Central American Free Trade Agreement. But while some activists feel otherwise, Arias does not see this policy as being at odds with environmentalism or promotion of ecotourism. "These are challenges," he told me, raising a finger in the air. "Ecotourism is a balance between cement, bricks, iron, and ecology." Maybe it really is that simple, I thought, as we stood and shook hands. Then again, maybe he has never been peed on by a howler monkey.

**Great Value: Harmony Hotel** Just off Nosara Beach, Harmony's simple elegance doesn't compete with the area's dense foliage. It's also an ideal location for trips to watch Olive Ridley turtles nest. *Nosara, Nicoya Peninsula; 011-506/682-4114; [harmonynosara.com](http://harmonynosara.com); doubles from \$320.*